

Residential and Day Services Annual Report

DDS & DSS

2009 - 2010 Training Seminar

September 15, 2010

Agenda

- Welcoming Comments
- Annual Report Submission Process
- Annual Report Changes for FY2010
- DSS Desk Review Issues & Reminders
- 10 Minute Break
- 2010 Annual Report of Residential and Day Services
- 10 Minute Break
- Related Party Transactions & Ethics Committee
- New Payment Process
- Questions and Answer Period
- Closing Comments

Welcoming Comments

DDS

Joseph Drexler

Director, Operations Center

Why Are We Here?

- The Annual Report is a legal requirement under the CLA regulations and the Contract.
- It is used by DSS to set Room and Board Rates
- It is the most important information source for informing DDS and others about the costs associated with providing our services.

Accuracy

- Accuracy is important so that financial impact of financial decisions can be properly calculated
- The information you submit will help DDS to plan for the future rates

Commission on Nonprofit Health and Human Services

- The Commission shall analyze funding provided to nonprofit providers of health and human services under purchase of service contracts.

Connecticut Special Act 10-5 Sec 1f

Introductions



DDS

Stacie Albert - Operations Center

Evelina Bula- Operations Center

Cres Secchiaroli - Operations Center

Patricia Dillon - Operations Center

Chris LaVigne - DSS

Peter Mason - Operations Center

Sandra McNally - Operations Center

Krista Pender - Audit, Billing and Rate Setting

Paula Pfistner -DSS

James Welsh - Legal and Government Affairs

Annual Report of Residential and Day Services Topics

- **Annual Report Submission Process**
- **DSS Room and Board FY2010 Changes**
- **DDS Annual Report FY2010 Changes**

2010 Annual Report Submission Process



DDS Timeline for Annual Report

June 30	Cost Year Ending date
October 15	Annual Report must be submitted to CJLC by 4PM
Nov. - December	DDS Desk Review
Dec. - Jan.	Request for Information Sent
March-June	DDS Cost Settlement Letters Issued
April 1	DDS Initial Operational Plan for new FY submitted
July 30	DDS Final Operational Plan for the past FY submitted

Annual Report Submission Process

- As you prepare the 2010 Annual Report, please check the CJLC website on a regular basis for any updates.

www.cjlc.com

Annual Report Submission Process

Filing Requirements

- 1. Two complete copies of the 2010 Annual Report of Residential and Day Services Department of Social Services and Department of Developmental Services.**
 - ✓ One original with signatures and notaries**
 - ✓ One additional copy**
- 2. One Data CD**

Annual Report Submission Process

Signatures Requirements For **Non Profit** Agencies

A submission will only be accepted by CJLC if there are:

- ✓ Signatures on Pages 2 and 29
- ✓ The signature is notarized on Page 2

Annual Report Submission Process

Signatures Requirements for Profit Agencies

**A submission will only be accepted by CJLC if
there are:**

- ✓ Signatures on Pages 2, 3, 4 and 29**
- ✓ The signature is notarized on Page 2**

Annual Report Submission Process

Submission Requirement

- **The report must be received by CJLC no later than 4:00 p.m. on October 15, 2010.**

Craig J. Lubitski Consulting LLC

Founders Plaza

225 Pitkin Street

East Hartford, Connecticut 06108

Annual Report Submission Process

Late Filing Penalty

- If the Annual Report is filed late Regulation Sec. 17-13b-4 notes that a penalty shall be assessed for each day that the Annual Report of Residential and Day Services is not filed.

Annual Report Submission Process

Late Filing Penalty

The penalty is assessed for each day the submission is late as follows:

- **First 30 days: a penalty of one half of one percent (.50%) of the current monthly payment attributable to administrative and general expenses**
- **Second 30 days: three-quarters of one percent (.75%)**
- **Beyond sixty days: one percent (1.0%)**

Annual Report Submission Process

Extension Requests

The Commissioner may approve an extension to the filing date if:

- **there are extraordinary circumstances**
- **the request is in writing**
- **the request is prior to October 15, 2010.**

Annual Report Submission Process

Extension Requests

It is recommended that the request be submitted as soon as the extraordinary circumstances that might prevent the timely filing of the Cost Report is identified.

Reconciliation of Financial Statements to Annual Report

- All non-profit corporations must complete a reconciliation report.
- Reconciliation Reports are due December 31 with Audited Financial Statements to be submitted to DDS Central Office, Operations Center.

Reconciliation of Financial Statements to Annual Report

A new Reconciliation Report must be submitted with any amended Annual Report that changes the financial data.

State of Connecticut

Department of Social Services and Department of Developmental Services

Reconciliation of Financial Statements to Annual Report

Parent Organization		FEIN	Report for Year Ended
		0	6/30/2010
Residential Costs per Annual Report of Residential and Day Services			
(From Summary CLA, line 14)			\$ -
Residential Costs per Annual Report of Residential and Day Services			
(From Summary SLA, line 14)			\$ -
Residential Costs per Annual Report of Residential and Day Services			
(From Summary CTH, line 14)			\$ -
Day Costs per Annual Report of Residential and Day Services			
(From Summary DAY, line 15)			\$ -
Room & Board Costs per Annual Report of Residential and Day Services			
(From Room & Board Costs for CLAs, line 31)			\$ -
ICF and Other Costs per Annual Report of Residential and Day Services			
(From Summary ICF and Other, line 10)			\$ -
Fee for Service Costs per Annual Report of Residential and Day Services			
(From Summary Fee for Service, Line 10)			\$ -
Subtotal Costs per Annual Report of Residential and Day Services (1 thru			\$ -
Add Back all Expense Recoveries and Non-Reimbursables			

Amended Annual Reports

- Any changes to the Annual Report after submission to CJLC (Other than those requested by CJLC) must be sent to the Resource Manager.
- Two hard copies (One MUST be the original) of the full Annual Report with the incorporated changes.

Amended Annual Reports

- All changes must be highlighted in yellow.
- The Management Affidavit must be signed and notarized along with a signed copy of the Amended Annual Report letter.

Annual Report of Residential and Day Services

Annual Report of Residential and Day Services

CLA-29 Rev. 8/2006

**Department of Social Services and Department of Developmental Services
Amended Annual Report of Residential and Day Services Affidavit**

Parent Organization	FEIN	Report for Year Ended 6/30/2008
<p>It is hereby certified that I have reviewed the changes highlighted in this amended report. I certify that the only changes made to the report have been highlighted. I understand and agree with any and all financial implications that resulted from these changes.</p>		
Signature (Authorized Official)	Date Signed	

Amended Annual Reports

- It is critical that all requested changes be completed as soon as possible.
- If a provider has received a correction, the region will begin to follow up after two weeks. A submission after four weeks, unless with the approval of the region, is unacceptable.

2010 Room & Board Changes



Annual Report Pages 26 & 27

2010 Room & Board Changes

- Annual Report no longer contains a calculation of the Room and Board Rate (previously reported on Page 27, Line 30)
- All Facilities with multiple programs using the same cost center number should report all beds, days, and expenses in total under its lead program only
 - “MCC” - Master Cost Center (lead program)
 - “SCC” - Secondary Cost Center (affiliated programs) and should not include any costs

2010 Room & Board Changes

- Page 26, Line 1 - Real Property Depreciation - has been combined to include the following:
 - Land Improvements
 - Building and Building Improvements
 - Non-Movable Equipment
- Page 26, Line 9 - Depreciation on Movable Equipment - should continue to be reported separately

2010 Room & Board Changes

- Approved actual debt service expenses must be included in their respective expense lines.
 - CHFA (pg. 26, Line 8.a.)
 - Recognition of Actual Debt Service (pg. 26, Line 8.b.)
 - Rental Payments Approved by DSS (pg. 26, Line 8.c.)
- CIL rental payments should continue to be reported on pg. 26, Line 2a

2010 Room & Board Changes

- 2010 Insurance Expense Schedule now includes a column for Renter's Insurance
- Utility expenses have been separated into the following categories:
 - Heat
 - Light & Power
 - Water & Sewer
 - Cable
 - Other

2010 Room & Board Changes

Real Property & Movable Equipment Depreciation Expense

- **Effective July 1, 2009 each Facility will be responsible for maintaining its own depreciation schedules**
 - Facility will no longer receive depreciation schedules with the Annual Report package
 - 2010 Annual Report disk contains schedule of all previously added Real Property additions (excluding land) and Movable Equipment additions whose useful life has not expired within the previous seven years

2010 Room & Board Changes

Real Property & Movable Equipment Depreciation Expense

- Report 2010 property additions using the “Real Property” and “Movable Equipment” worksheets included your annual mailing named “2010 Property Additions.”
- Fair Rental Value Schedules have been updated to also compute depreciation expense
 - Calculation should be used as a guide only, Facility maintains responsibility of all reported expenses.

2010 Room & Board Changes

Real Property & Movable Equipment Depreciation Expense

- The Facility should reconcile its depreciation schedules to disk.
- ***Prior to the filing of the 2010 Annual Report - Any reconciling items, questions and/or concerns regarding depreciation schedules should be emailed

to: **data@cjlc.com**

with “Depreciation” included in the subject line of the email.

2010 DDS Annual Report Changes



Changes for FY 2010

Cost Center Numbers (Page 12):

- Contracted Openings for Day Programs - This is the number of Openings on the contract as of 1/31/2010.

Cost Center Numbers (Page 12)

		* For Day programs # of Contracted Openings from 7/1/2009 - 1/31/2010						
				DDS ID Number				
		Contracted	Program				Region	
Cost Center	Town / City	Openings *	Type	Provider	Program	Unique ID	Prime	Specific
DSO		10.00	DAY	0	410	001	N	N

Changes for FY 2010

Cost Center Numbers (Page 12):

- Program Closed during the Year - A new category was added to identify programs that were closed during the fiscal year.

Cost Center Numbers (Page 12)

Cost Center	Town/City	Contracted Openings *	Type		Total Openings	Adjusted Openings	Days Opened	Was program closed during FY 2010?	If closed, how many contracted openings were there on the last day of service?
SL	Avon	0.00	DAY		1.00	1.00	125	Yes	1.00

Changes for FY 2010

Cost Center Numbers (Page 12):

Clarification

Total Openings should equal the number of contracted DDS openings and the number of non-DDS participants in the program. **This should not include the number of individuals in the program funded through an individual budget.**

Changes for FY 2010

Summary of Day (Page 21)

Has been revised to address:

- Client Openings
- Utilization Percentage from 7/1/2009-1/31/2010
- Utilization Percentage from 2/1/2010-6/30/2010

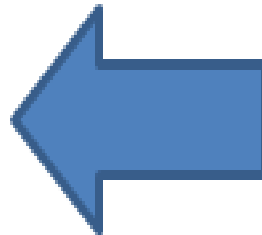
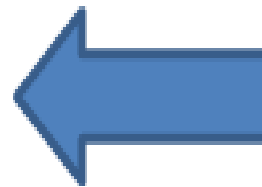
Changes for FY 2010

Summary of Day (Page 21)

A category has been added:

- for the number of contracted DDS participants in the program
- for the number of DDS participants funded through an individual budget in the program
- for the number of non- DDS participants in the program

Page 21 - Summary Day		
	Agency Total	
		DSO
Client Openings		
Total number of DDS <u>contracted</u> and Non-DDS participants in this program (7/1/2009-6/30/2010)	10.00	10.00
Total number of DDS participants funded through the contract in this program (7/1/2009-6/30/2010)	10.00	10.000
Total number of DDS participants funded through an individual budget in this program (7/1/2009- 6/30/2010)	1.00	1.000
Total number of non DDS participants in this program (7/1/2009- 6/30/2010)	0.00	0.000



Pulled from Cost Center page.

This is new.

This is new.

This is new.

Changes for FY 2010

Summary of Day (Page 21)

- On February 1, 2010, DDS changed to utilization based payments.
- FY2010 Annual Report needs to capture the attendance data prior to 2/1/2010.
- DDS will supply the attendance data for the period from 2/1 -6/30/2010.

Page 21 - Summary Day			
2	Utilization Percentage from 7/1/2009-1/31/2010		
a.	Total Contracted Openings on the Day Contract on 1/31/2010	15.0	15.0
b.	Adjusted Openings (adjust openings for participants who started after 7/1/2009 or left before 1/31/2010)	15.0	15.0
c.	Number of Days Operating Between 7/1/2009-1/31/2010	150.0	150.0
d.	Available Client Days (b*c)	2250.0	2250.0
e.	Actual Client Days for the perio	1975.0	1975.0
f.	Percentage of Utilization for the period between 7/1/2009-1/31/2010	87.78%	87.78%



Pulled from Cost Center page.



Pulled from Cost Center page.



This is new.

Changes for FY 2010

- **Summary of Revenue (Page 28)**

A schedule has been added to identify in which program or programs the Fee For Service Revenue was generated.

Page 28 - Statement of Revenue

	Amount
1. Operating Revenue	
a. Service for Community Living Arrangements	
b. Service for Supported Living	
c. Service for CTH Support	
d. Service for Day Programs	
q. Other Programs	
r. DDS Cost Settlements	
s. Fee for Service Revenue (Specify, click to go to Revenue Schedule)	\$ -
t. Total Operating Revenue (1a thru 1s)	\$ -



This has been revised to identify in which program the Fee for Service revenue was gnerated.

Revenue Schedule

Page 28, Line 1. s.- Fee for Service Revenue (click to return to Statement Revenue

# of Vendor Service Authorizations	Program in which Fee For Service Revenue is recorded	Amount
	Total	\$ -

Changes for FY 2010

- **Summary of Revenue (Page 28)**

A schedule has been added to identify in which program or programs the Sales Revenue was generated.

Revenue Schedule

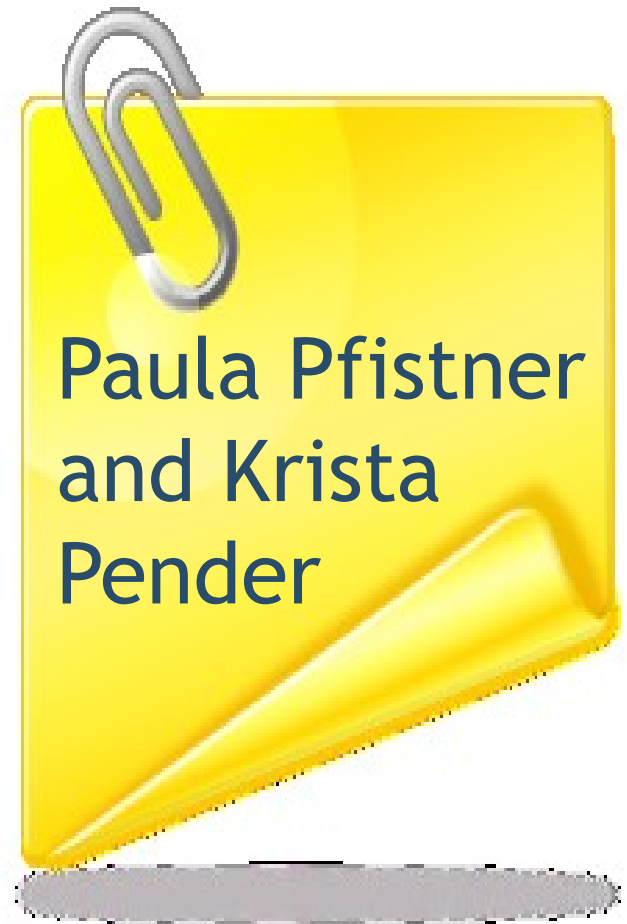
Page 28, Line 2b - Sales Revenue from Day Programs (click to return to Statement Revenue)

Type of Sales Revenue	Program in which Sales Revenue is recorded	Amount
	Total	\$ -



This is new.

Desk Review Reminders



Desk Review Reminders

- Requests for Information (RFI)
 - When responding to RFI's please include on all documents
 - Cost Center
 - Program Name
 - Chronological Order from RFI

Desk Review Reminders

Detailed General Ledgers

- In order to reduce the number of RFI's, DETAILED general ledgers must be submitted
- Only need to send invoices when requested

***Disallowance will be made for all requests which remain unanswered or unsubstantiated**

Desk Review Reminders

Real Property & Movable Equipment Depreciation Expense

- **Real Property Additions:**
 - 1st year in operation - prorated using the month in which the addition was purchased/capitalized (i.e. Building improvements added on December 31st will result in seven (7) months of depreciation; the same would result if the addition was added on December 1st)
 - Any other year - a full year of depreciation will be calculated regardless of the date added.

Desk Review Reminders

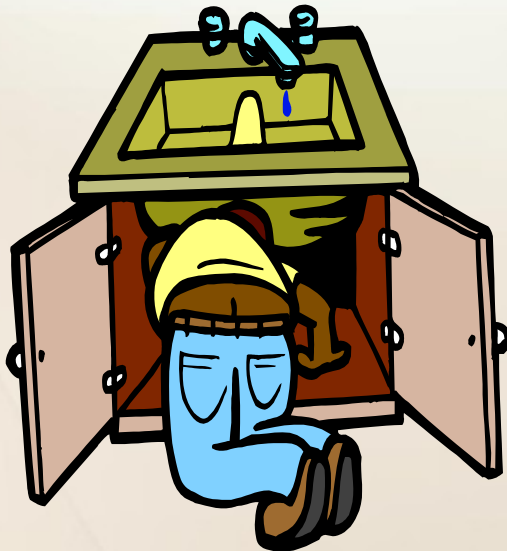
Real Property & Movable Equipment Depreciation Expense

- **Movable Equipment Additions:**
 - 1st year in operation - same rules for Real Property Additions apply
 - All other years - Unless equipment is purchased in July, standard ½ year depreciation will be recognized

Desk Review Reminders

- **Dietary Expenses**
 - Staff meals are not reimbursable under the DSS room and board rate
 - If reported should be included under employee benefits

New Home Development & Capital Improvement Process



New Home Development & Capital Improvement Process

- Appraisal Process
- Approval Process
- New Legislation
- Emergency / Urgent Requests

Appraisal Process

- Implemented in May 2007
- Authorization / Notification must come from DDS Regional Offices and include:
 - Property Address
 - Provider Contact information
 - Realtor Contact Information

Approval Process

- Completed requests sent to appropriate DDS Regional Office
- DDS Regional Office notifies DSS Central Office to order appraisal of property
- Regional Office forwards request to DDS Central Office
- Audit Unit reviews submission for completion of required documentation and reasonableness
- DDS forwards complete and accepted requests to DSS
- DSS reviews requests and obtains approval from Commissioner

Approval Process (con't)

- Request returned to DDS
- Request receives DDS' Commissioner's approval and Copy sent to CJLC for the records
- Request returned to Regional Office
- Regional Office forwards to Provider

Capital Development Agreements

- Required documents:
 - Inspection Reports
 - If a renovation is being done, submit cost detail and plans for proposed renovation.
 - Development Company use *MUST* be justified. Approval requires explanation and need for services.



DSS Targets for New Home Development

Effective 10-1-06 - Including Fire & Safety - *No Change*

# Beds	DSS Targets	\$ Per Bed
6	\$495,000	\$82,500
5	\$450,000	\$90,000
4	\$400,000	\$100,000
3	\$375,000	\$125,000
2	\$350,000	\$175,000

Movable Equipment Guidelines

Updated 10-01-2006 - No Change

# Beds	Common Areas (Living Room, Kitchen, Bathroom, & Dining Room)	Bedrooms	Total Movable
6	\$20,000	\$24,000	\$44,000
5	\$20,000	\$20,000	\$40,000
4	\$20,000	\$16,000	\$36,000
3	\$20,000	\$12,000	\$32,000
2	\$20,000	\$8,000	\$28,000

Improvement Reminders.....

- 3 Bids
 - Required to establish a basis of comparison and reasonableness
- “Qualified Bid”
 - Date of proposal
 - Address of home
 - Contractor’s name, address, and phone #
 - Sufficient detail that explains scope of work
 - Contractor’s License # from DCP or DPH

Capital Repair & Improvements

Updated 10-01-2006 - No Change

<u>Between</u>	<u>Requirements</u>	<u>Depreciation</u>
\$0 - \$2,499	No prior approval	Expense on ACR
\$2,500 - \$7,499	No prior approval **	5 years
\$7,500 - Over	Prior Approval Required **	Per Useful Life Chart

Oil Tank and Roof Repairs

<u>Between</u>	<u>Requirements</u>	<u>Depreciation</u>
\$0 - \$2,499	No prior approval	Expense on ACR
\$2,500 - Over	Prior Approval Required **	10 years - Roof 20 years - Oil Tank

**** 3 Bids must be obtained for ALL Capital Improvements over \$2,500**

All improvements are subject to audit, 20% reduction for non-compliance

ACR is the Annual Report of Residential and Day Services

New Legislation

“For the fiscal years ending June 30, 2010, and June 30, 2011, rates in effect for the period ending June 30, 2009, shall remain in effect until June 30, 2011, except that (1) the rate paid to a facility may be higher than the rate paid to the facility for the period ending June 30, 2009, **if a capital improvement required by the Commissioner of Developmental Services for the health or safety of the residents was made to the facility during the fiscal years ending June 30, 2010, or June 30, 2011**, and (2) any facility that would have been issued a lower rate for the fiscal years ending June 30, 2010, or June 30, 2011, due to interim rate status or agreement with the department, shall be issued such lower rate.”

New Legislation

- DDS will review requests to determine whether the project meets a health and safety requirement
- DSS will review project cost data and make associated rate adjustments.

Emergency / Urgent Requests

EMERGENCY - an unforeseen combination of circumstances or the resulting state that calls for immediate “action”

URGENT - calling for immediate “attention”

Emergency / Urgent Requests

- Emergency requests must be approved by DSS. Three bid requirement may be waived.
- Projects that cause imminent health/safety issues for residents: no water, no hot water, no heat/electrical power/air conditioning, or septic failure.
- Urgent requests will be processed expeditiously.
- Urgent projects are not emergencies.



Any questions before we break?

General Mistakes Made in FY2009



Clarification for FY 2010

- **Adjusted Openings** was added to allow providers to adjust the number of potential days an individual was available for services during the year

Clarification for FY 2010

Clarification of Adjusted Openings

Scenario 1

3 bed CLA had full capacity on 7/1/2009

1 person left on 4/30/2010

The vacancy was funded, but was not filled during the rest of the fiscal year

Clarification for FY 2010

Clarification of Adjusted Openings

Scenario 1

Because the vacancy was funded it is still considered as a full time opening for attendance purposes:

Total Opening - 3

Contracted Opening - 3

Adjusted Opening - 3

Clarification for FY 2010

Clarification of Adjusted Openings

Scenario 2

3 bed CLA had full capacity on 7/1/2009

1 person left on 4/30/2010

The vacancy was not funded and was not filled during the rest of the fiscal year

Clarification for FY 2010

Clarification of Adjusted Openings

Scenario 2

Because the vacancy was not funded it is not considered as a full time opening:

The person lived in the home for 304 out of 365 days. Calculate 304 divided by 365 to determine the potential days of service ($304/365 = .833$)

Clarification for FY 2010

Clarification of Adjusted Openings

Scenario 2

Total Opening - 2

Contracted Opening - 2

Adjusted Opening - 2.833

Clarification for FY 2010

Clarification of Adjusted Openings

Scenario 3

3 bed CLA had full capacity on 7/1/2009

1 person was added on 4/30/2010

The license on the home increased to four.

Clarification for FY 2010

Clarification of Adjusted Openings

Scenario 3

- Because the home license and the annualized contracted amount was increased, the contracted and total openings would be increased for the additional resident.

Clarification for FY 2010

Clarification of Adjusted Openings

Scenario 3

- The number of potential days needs to be adjusted to reflect that the individual was not in the home for 304 days.

Clarification for FY 2010

Clarification of Adjusted Openings

Scenario 3

For utilization purposes, the adjusted openings would be calculated by 61 days in attendance divided by 365 days ($61/365 = .167$).

Total Opening - 4

Contracted Opening - 4

Adjusted Opening - 3.167

General Mistakes Made in FY 2010 Submissions

- Most of the calls asking for technical help were topics covered in the Aid for Preparing the Annual Report of Residential and Day Services included in the Annual Report software disk.

General Mistakes Made in FY 2010 Submissions

- The cost centers listed on the final Operational Report did not match the cost centers listed on the Annual Report.

General Mistakes Made in FY 2010 Submissions

- The Unique ID number for a new program was either not listed or was not recognized.

**Providers must call Julie Bouchard at
860-418-6050 to get a Unique ID
number.**

Field	Provider	Program	Cost Center	Prime Region	Specific Region	Total Field Size:
Description	Unique number assigned to provider	Standard identifier is a numeric code assigned to DDS and non-DDS model types	Identifier assigned to cost center, unique only within provider	Alpha code for Prime Region	Alpha code for specific Region where cost center is located	
Assignment Criteria	Sequential numbering system starting at 100	Standard	Must call Julie Bouchard for the number	Standard	Standard	
Numeric / Character	Numeric	Numeric	Numeric	Character	Character	
Field Size	3	3	4	1	1	12

↓	↓	↓	↓	↓
123	200	4678	N	W

123 Group Home	XYZ Provider	CLA	North	West
----------------------	-----------------	-----	-------	------

General Mistakes Made in FY 2010 Submissions

Unique ID Numbers (cont.)

Model Types

- 100 Administrative and General Cost Center
- 200 Community Living Arrangement (CLA)
- 300 Supported Living (SL)

General Mistakes Made in FY **2010 Submissions**

Unique ID Numbers (cont.)

Model Types

- 400 Day Program Series (use sub codes 410-440)
- 410 ~ Day Support Options (DSO)
- 420 ~ Group Supported Employment (GSE)
- 430 ~ Individual Self-Employment (SEI)
- 440 ~ Sheltered Work (SHE)

General Mistakes Made in FY **2010 Submissions**

Unique ID Numbers (cont.)

Model Types

- 500 ~ Community Training Home Support (CTH Supp)
- 600 ~ Intermediate Care Facility/Ment. Ret. (ICF/MR)
- 700 ~ Other Series (may use 700, sub-codes 710-720 optional)
- 710 ~ Self Determination/ISA Clients (SD/ISA)
- 720 ~ Birth To Three (B23)

Cost Center Comparison

Key

✓	No changes to Cost Center
✗	Cost Center was removed
?	Cost Center was changed
!	Cost Center was added

Changes

	Fac ID	Name	Town	Provider	Program	Unique ID	Prime	Specific	DSS ID	DDS ID
✓	2823	Administrative and General		221	100	✓ 5000	S	S		
✓	2753	Plainville	Plainville	221	300	✓ 1000	S	N		
✓	2752	Day Support Options-Day Program		221	410	✓ 2000	S	S		
✓	2751	Ind. Support Day Program		221	430	✓ 3000	S	S		
✓	2824	Other Agency Cost		221	700	✓ 9999	S	S		
!	0	ISA Waiver		221	710	✓ 360	S	S		

Database Change Checklist

	Fac ID	Name	Town	Provider	Program	Unique ID	Prime	Specific	DSS ID	DDS ID
	0	Added ISA Waiver		221	710	✓ 360	S	S		

Notes 10/23/2009

Sandy,

Please verify the adding of ISA Waiver.

General Mistakes Made in FY 2010 Submissions

- The allowable amount reported on Administrative and General Summary (Page 13) does not match the amount allocated to the various programs.
- The allowable amount reported on Employee Benefit Summary (Page 25) does not match the amount allocated to the various programs.

		Total Allowable A&G/Benefit Costs	Total All Except A&G	Total All Employee Benefits		A&G	Mason CLA 1	Mason CLA 2	DSO
1.	Allocation for Administration								
a.	Amount of Allocation	\$ 225,000	\$ 230,000	N/A		\$ 225,000	\$ 80,000	\$ 75,000	\$ 75,000
b.	Percent of Administration Total	100.00%	102.22%	N/A		100.00%	35.56%	33.33%	33.33%



These must equal

		Total Allowable A&G/Benefit Costs	Total All Except A&G	Total All Employee Benefits					
2.	Benefits Costs Allocated to Program								
a.	Amount of Allocation	\$ 200,000	\$ 170,000	\$ 195,000		\$ 25,000	\$ 45,000	\$ 75,000	\$ 50,000
b.	Percent of Benefit Allocation	102.56%	87.18%	100.00%		12.82%	23.08%	38.46%	25.64%

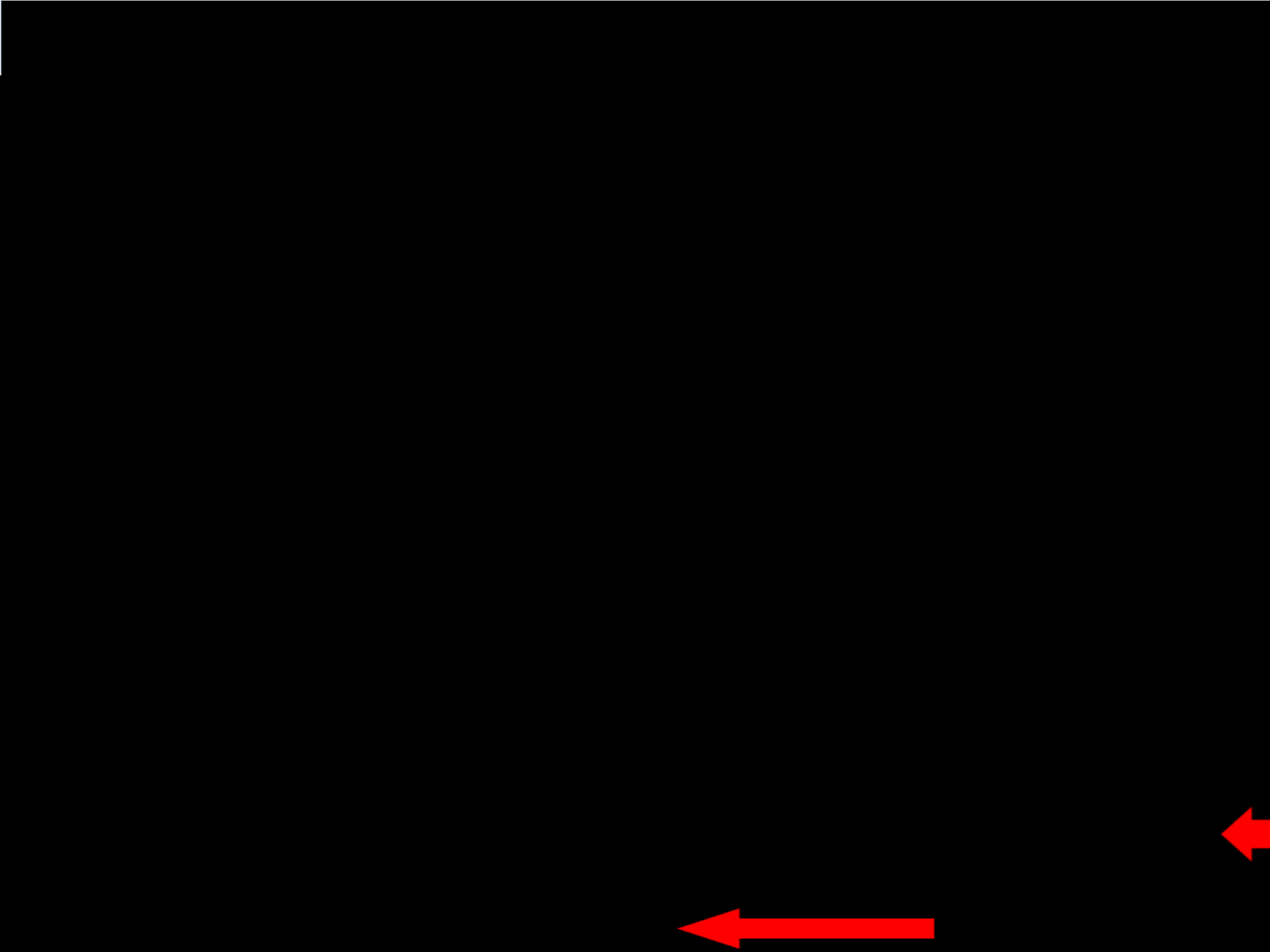


These must equal

General Mistakes Made in FY 2010 Submissions

- Reconciliation of Financial Statements to Annual Report was never filed.
- The expenses reported on the Financial Statements were not filled in.
- No explanation why there is a difference between the Annual Report and the Financial Statements.

State of Connecticut						
Department of Social Services and Department of Developmental Services						
Reconciliation of Financial Statements to Annual Report						
Parent Organization				FEIN	Report for Year Ended	
ABC Corporation				0	6/30/2008	
1.	Residential Costs per Annual Report of Residential and Day Services					
	(From Summary CLA, line 14)				\$	50,000
2.	Residential Costs per Annual Report of Residential and Day Services					
	(From Summary SLA, line 14)				\$	50,000
3.	Residential Costs per Annual Report of Residential and Day Services					
	(From Summary CTH, line 14)				\$	50,000
4.	Day Costs per Annual Report of Residential and Day Services					
	(From Summary DAY, line 15)				\$	-
5.	Room & Board Costs per Annual Report of Residential and Day Services					
	(From Room & Board Costs for CLAs, line 31)				\$	-
6.	ICF and Other Costs per Annual Report of Residential and Day Services					
	(From Summary ICF and Other, line 10)				\$	-
7.	Fee for Service Costs per Annual Report of Residential and Day Services					
	(From Summary Fee for Service, Line 10)				\$	-
8.	Subtotal Costs per Annual Report of Residential and Day Services (1 thru 7)				\$	150,000
9.	Add Back all Expense Recoveries and Non-Reimbursables					
a.	From Administrative and General, line 6s (Non-Reimbursables)				\$	-
b.	From Administrative and General, line 7 (Other Operating & Non-Operating Revenue)				\$	-
c.	From Summary CLA, line 12 (Non-Reimbursable Cost)				\$	-
d.	From Summary CLA, line 13 (Other Operating & Non-Operating Revenue)				\$	-
e.	From Summary SLA, line 12 (Non-Reimbursable Cost)				\$	-
f.	From Summary SLA, line 13 (Other Operating & Non-Operating Revenue)				\$	-
g.	From Summary SLA, line 13a (Fee for Service Revenue)				\$	-
h.	From Summary CTH, line 12 (Non-Reimbursable Cost)				\$	-
I.	From Summary CTH, line 13 (Other Operating & Non-Operating Revenue)				\$	-
j.	From Summary DAY, line 11 (Less Non-Reimbursable Cost)				\$	-
k.	From Summary DAY, line 12 (Sales Revenue)				\$	-
l.	From Summary DAY, line 13 (Excess Cost Non-DDS Openings)				\$	25,000
m.	From Summary DAY, line 13a (Fee for Service Revenue)				\$	-
n.	From Summary DAY, line 14 (Less Other Operating & Non-Operating Revenue)				\$	-
o.	From Summary ICF and Other, Line 9 (Less Other Operating & Non-Operating Revenue)				\$	-
p.	From Summary Fee for Service, Line 9 (Less Operating & Non-Operating Revenue)				\$	-
	q. Total Expense Recoveries & Non-Reimbursables (lines 9a thru 9p)				\$	25,000
10.	Adjusted Costs Per Annual Report of Residential and Day Services (line 8 + 9q)				\$	175,000
11.	Total Expenses Per Financial Statements					
12.	Difference/Reconciling Items (11 - 10)				\$	(175,000)



General Mistakes Made in FY 2010 Submissions

- The Annual Report review has been identifying a number of providers with the total amount of client wages and benefits more than the amount of Sales Revenue.

Page 22 - Summary Day (2)			
		Agency Total	GSE
			001
6. Non-Salary			
b. Supplies and Services			
1. General Supplies and Services	\$ 200,000	\$ 200,000	
2. Employee Training, Fees and Supplie	\$ -		
3. Client Wages and Benefits	\$ 100,000	\$ 100,000	
4. Total Supplies and Services (6b1 thru	\$ 300,000	300,000	
10 Sales Revenue Net of Sales Revenue Allow	\$ 105,000	\$ 105,000	

The sales revenue should be equal to or more than the amount of client wages and benefits.

General Mistakes Made in FY 2010 Submissions

- The Cost For DDS Purchased Openings is blank.
- This happens when either the number of total openings and/or contract openings are left blank.

Page 22 - Summary Day (2)			
		Agency Total	DSO
8.	Program Costs		
a.	Employee Benefits	\$ 50,000	\$ 50,000
b.	Administrative and General	\$ 75,000	\$ 75,000
c.	Working Capital Interest	\$ -	\$ -
d.	Total Program Costs (8a thru 8c)	\$ 125,000	\$ 125,000
9.	Less Non-Reimbursable Cost	\$ -	
10.	Sales Revenue Net of Sales Revenue Allow	\$ 200,000	\$ 200,000
11.	Excess Cost Non-DDS Openings	\$ -	
a.	Less Fee for Service Revenue	\$ 105,000	\$ 105,000
12.	Less Other Operating and Non-Operating	\$ -	
13.	Total Costs for Reimbursement	\$ 120,000	\$ 120,000
14.	Total Direct Service Costs Excluding Emp	\$ 300,000	\$ 300,000
15.	Cost for DDS Purchased Openings	\$ -	\$ -

This line cannot be blank.
This is used to determine
whether there will be a
cost settlement.



General Mistakes Made in FY 2010 Submissions

The amounts on the last amendment do not match the information on the Annual Report.

These include:

- Number of Clients do not match what is on the Assignment of Cost Center Numbers (Page 12)
- Total Reimbursement does not match what is on the Statement of Revenue (Page 28)

General Mistakes Made in FY 2010 Submissions

- Insurance Certificate must list the State of Connecticut as an additional insured.

X RETENTION \$ 10000

WORKERS COMPENSATION AND
EMPLOYERS' LIABILITY
ANY PROPRIETOR/PARTNER/EXECUTIVE
OFFICER/MEMBER EXCLUDED?
If yes, describe under
SPECIAL PROVISIONS below

WC STATU-
TORY LIMITS

OTH-
ER

E.L. EACH ACCIDENT

\$

E.L. DISEASE - EA EMPLOYEE

\$

E.L. DISEASE - POLICY LIMIT

\$

OTHER

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

The certificate holder is included as an Additional Insured, where
required by written contract, per the terms, conditions and exclusions of
the referenced General Liability coverage.

(See Attached Descriptions)

CERTIFICATE HOLDER

State of CT, DDS
460 Capital Avenue
Hartford, CT 06106

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION
DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN
NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL
IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR
REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

RC Knox & Company

EYP

© ACORD CORPORATION 1988

Review Process



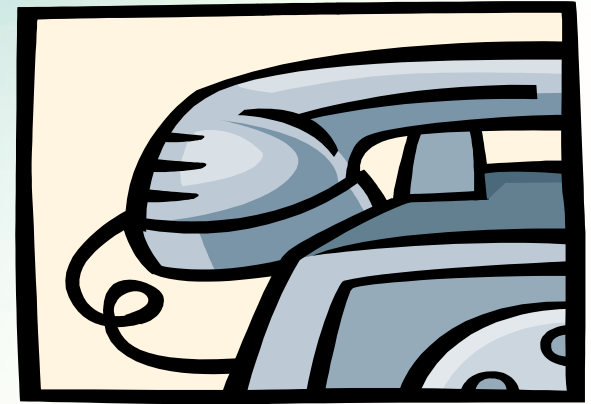
Review Process

- Cursory Review completed by CJLC.
Reviews signatures, dates and missing information.
- Resource Managers review openings, utilization, and accuracy of the financial information.



Any questions before we break?

Contacts



- **DDS**

Peter Mason

860-418-6077

peter.mason@ ct.gov

Krista Pender

860-418-6109

krista.pender@ct.gov

James Welsh

860-418-6059

james.welsh@ct.gov

Sandra McNally

860-418-6025

Sandra.McNally@ct.gov

- **DSS**

Paula Pfistner

860-424-5666

paula.pfistner@ ct.gov

- **CJLC**

Kelvin Verrett

860-610-9009 x137 - Depreciation and Property Questions

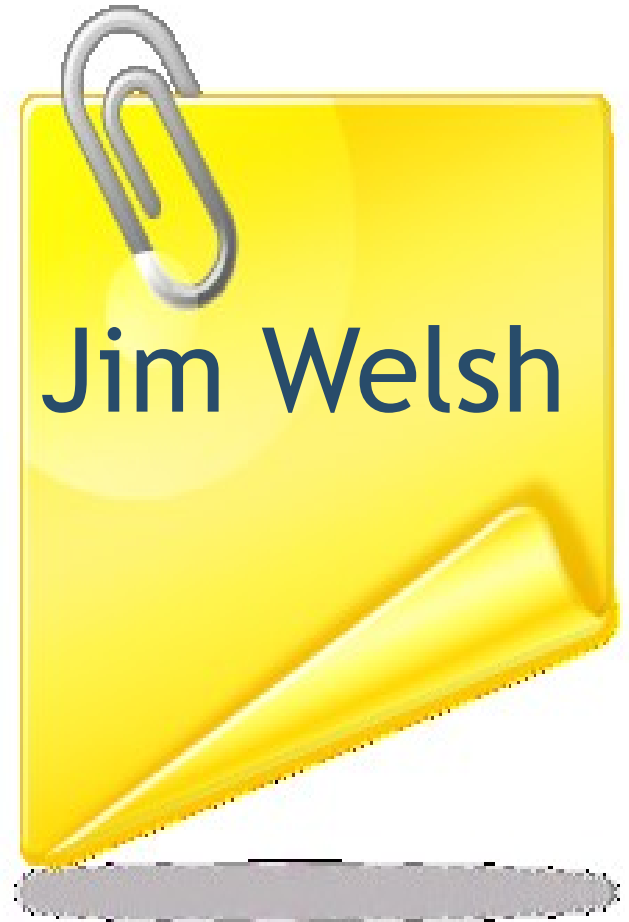
Jason Ledger

860.610.9009 x119 - Excel Template Questions

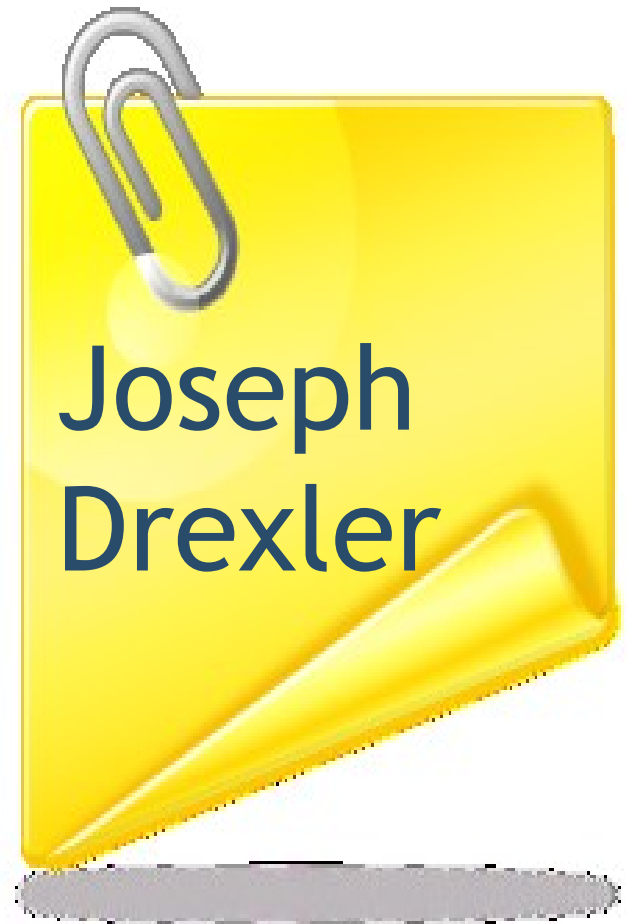
Craig Lubitski

860.610.9009 x 111 - General Questions

Related Party Transactions and Ethics Committee



Utilization Based Payment Process



Payment Process

- Fiscal Office sent payment report prior to month end
- Fiscal Office Verifies report against contract
- Fiscal office ensures adequate funding is available on PO

Payment process

- Vouchers are done and need to go through approval process
- Provider receives payment once voucher has cleared all approvals
- Summary and Detail Reports can not be pulled until all payment s are made

Payment Process

- Once all payments are made and manual adjustments completed Summary and Detail reports are pulled
- Once notification is given that reports are pulled and ready for distribution they are sent via email to contacts provider has identified in their Provider Profile immediately.

Payment Report

Providers receive 2 reports each month:

1. A summary report of the monthly payment
2. A detailed report of the actual attendance for the previous amount.

Summary and Detail Reports

- The Detail report will have each individuals actual attendance for the month which has been signed off by the 10th of the month and any previous unsigned off attendance that has now been signed off.
- The Actual payment by program type on the Summary Report is a total of all the individual attendance in the detail report.

Summary Reports

- The Summary Report gives a consolidated itemization by region and program type of all the transactions included in the payment.

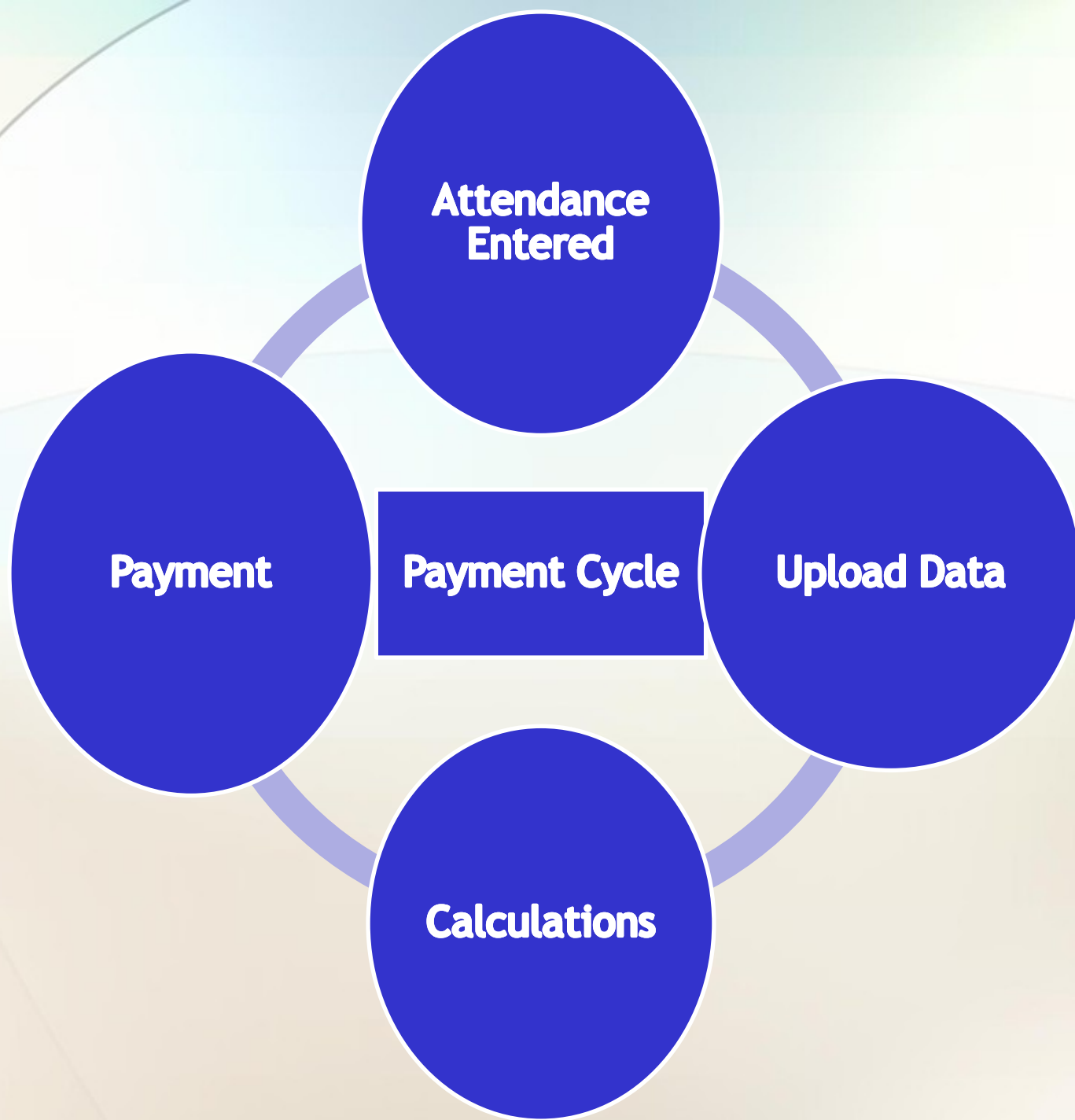
The three basic components of a payment



	Description	Effect on Payment
1	Actual Attendance for the previous month	A debit to the payment – increases the payment
2	Estimated Payment for the previous month	A credit to the payment – decreases the payment
3	Estimated payment for the current month	A debit to the payment – increases the payment

Example: The October payment includes...

- Estimated payments for September
- Actual payment for August
 - In the September payment, we paid an **Estimate** for August based on your Contract Service Authorizations. In October we remove the August **Previous Estimate**, and pay according to the August **Actual** attendance. We then will pay you for the September **Estimate**.



Payments are made on or after September 1 for services in August without the benefit of actual attendance



Attendance is entered through September 10th for August as well as corrections to preceding months

WebResDay is uploaded on Morning of 11th (Early AM)



Why do we use an estimated payment?

- Maintain the current provider payment schedule
- Have time to review the attendance data
- Provide agencies time to plan for future expenditures based on the upcoming expected monthly payment

Estimated Payment

- The estimated payment is calculated by dividing the total annualized amount of all the current contract service authorizations in each program and dividing that number by 12.

Estimated Payment

- Once the Actual attendance for a particular month is signed off and pulled for payment the Previous Estimate for that month is removed.

Actual Payment

- The actual payment for the month is calculated for each individual. The unit rate for each participant is multiplied by the number of units signed off on the WebResDay for the month.

Actual Payment

- Participants who have not had their record signed off in WebResday by the 10th of the month will not be part of that months actual payment.
- The participant's attendance will be calculated for payment in the month the their record is signed off.

Other Components that may be included in the Payment

- Manual Adjustment
- SEI Cap
- Correction from WebResDay
- One Time payment

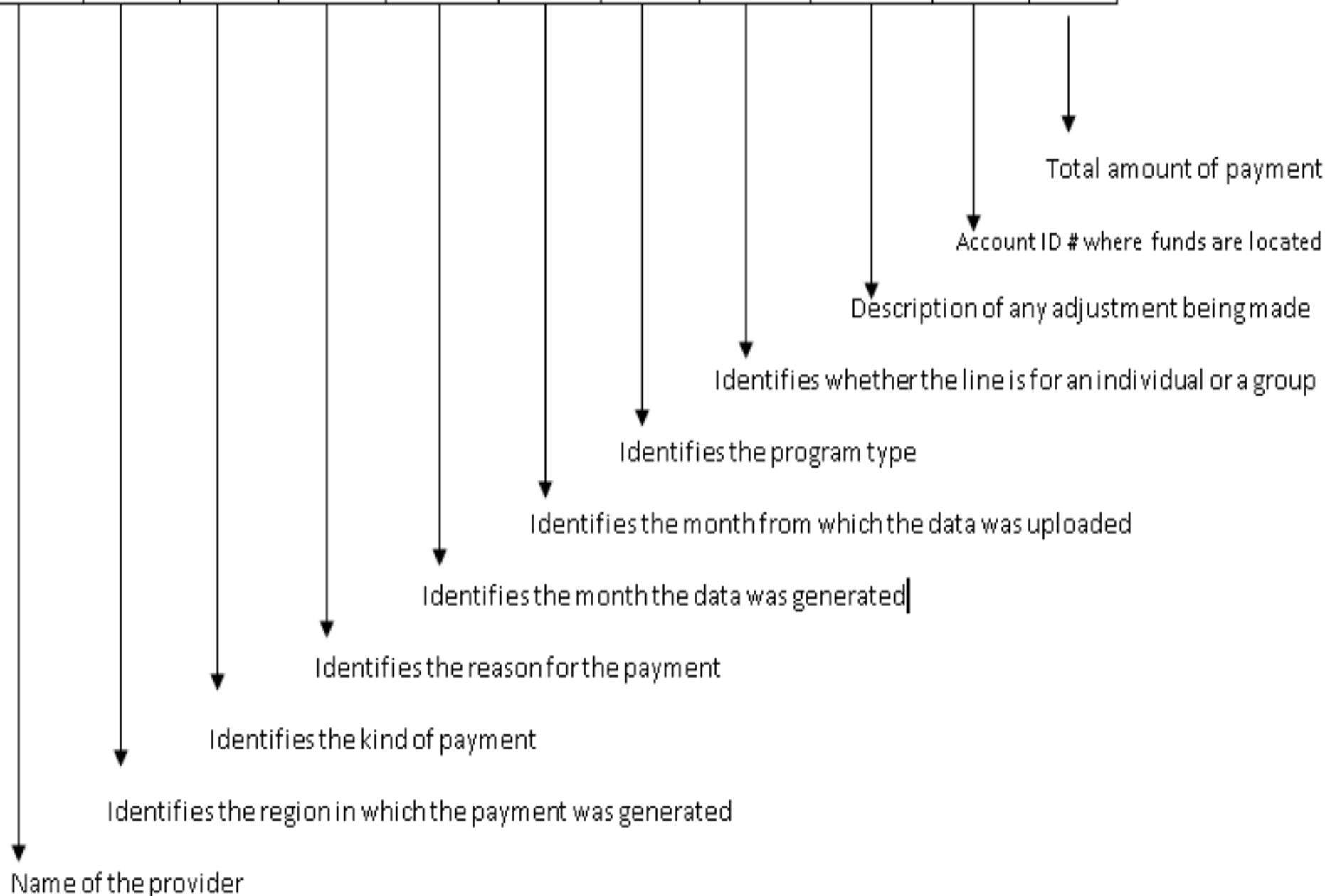
Manual Adjustment

A manual adjustment modifies a payment either positively or negatively that is not derived from the monthly data download and calculation.

These include:

- payments prior to attendance submission
- cost settlement
- attendance corrections for residential programs
- miscellaneous errors.

Provider	Reg	Kind	Reason	SignYrMn	AttYrMn	Serv	General or Individual	Description	SID	Total\$
----------	-----	------	--------	----------	---------	------	-----------------------------	-------------	-----	---------



Note: Provider name removed

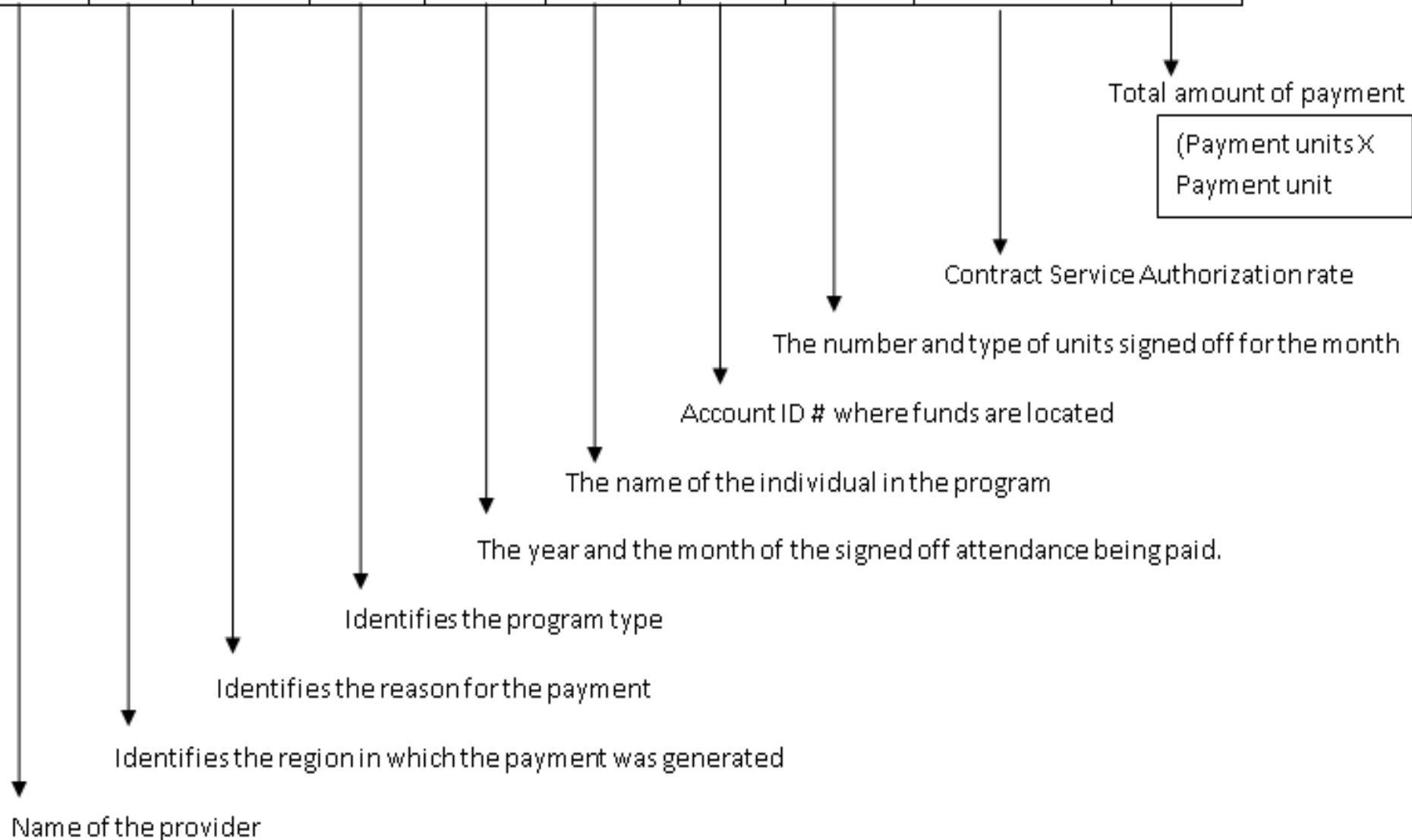
Reg	Kind	Reason	SignYrMn	Att YrMn	Serv	General or Individual	Description	SID	Total\$
NR	Actual	PullMonthly	2010-06	2010-06	DSO	-- General,- (1) ----- 0	--	16108	29,954.69
NR	Actual	PullMonthly	2010-06	2010-06	GSE	-- General,- (1) ----- 0	--	16108	30,036.66
NR	Actual	PullMonthly	2010-06	2010-06	SEI	-- General,- (1) ----- 0	--	16108	116.22
NR	Est	PullMonthly	2010-06	0000-00	CRS	-- General,- (1) ----- 0	--	16122	25,083.00
NR	Est	PullMonthly	2010-06	0000-00	DSO	-- General,- (1) ----- 0	--	16108	28,731.00
NR	Est	PullMonthly	2010-06	0000-00	GSE	-- General,- (1) ----- 0	--	16108	29,383.00
NR	Est	PullMonthly	2010-06	0000-00	SEI	-- General,- (1) ----- 0	--	16108	4,116.00
NR	EstPrev	PullMonthly	2010-05	0000-00	DSO	-- General,- (1) ----- 0	--	16108	-28,731.00
NR	EstPrev	PullMonthly	2010-05	0000-00	GSE	-- General,- (1) ----- 0	--	16108	-28,421.00
NR	EstPrev	PullMonthly	2010-05	0000-00	SEI	-- General,- (1) ----- 0	--	16108	-5,078.00
NR	SeiCap	PullMonthly	2010-06	2010-06	SEI	-- General,- (1) ----- 0	--	16108	3,917.58
SR	Actual	PullMonthly	2010-06	2010-06	DSO	-- General,- (1) ----- 0	--	16108	18,460.94
SR	Actual	PullMonthly	2010-06	2010-06	GSE	-- General,- (1) ----- 0	--	16108	12,872.91
SR	Actual	PullMonthly	2010-06	2010-06	SEI	-- General,- (1) ----- 0	--	16108	4,735.97
SR	Est	PullMonthly	2010-06	0000-00	DSO	-- General,- (1) ----- 0	--	16108	17,945.00
SR	Est	PullMonthly	2010-06	0000-00	GSE	-- General,- (1) ----- 0	--	16108	13,600.00
SR	Est	PullMonthly	2010-06	0000-00	SEI	-- General,- (1) ----- 0	--	16108	2,664.00
SR	EstPrev	PullMonthly	2010-05	0000-00	DSO	-- General,- (1) ----- 0	--	16108	-17,945.00
SR	EstPrev	PullMonthly	2010-05	0000-00	GSE	-- General,- (1) ----- 0	--	16108	-13,600.00
SR	EstPrev	PullMonthly	2010-05	0000-00	SEI	-- General,- (1) ----- 0	--	16108	-2,664.00
								Provider Total:	125,177.97

Detail Reports

- Gives the individual attendance by person and program type for all records signed off by the 10th of the month.

Payment Detail Report

Provider	Reg	Payment Kind	Service	Att YrMn	Individual	SID	Payment Unit	Payment Unit Rate	Total\$
----------	-----	--------------	---------	----------	------------	-----	--------------	-------------------	---------



Note: Provider and participant names removed

Reg	Payment Kind	Service	Att Yr-Mn		SID	Payment Unit	Payment Unit Rate	Total\$
NR	Attendance	DSO/DSO	2010-06		16108	19 day	103.69	1,970.11
NR	Attendance	DSO/IDN	2010-06		16108	132 hrs	30.37	4,008.84
NR	Attendance	DSO/DSO	2010-06		16108	18 day	57.77	1,039.86
NR	Attendance	DSO/DSO	2010-06		16108	17 day	121.08	2,058.36
NR	Attendance	DSO/DSO	2010-06		16108	22 day	114.82	2,526.04
NR	Attendance	DSO/DSO	2010-06		16108	19 day	125.42	2,382.98
NR	Attendance	DSO/DSO	2010-06		16108	21 day	127.07	2,668.47
NR	Attendance	DSO/DSO	2010-06		16108	21 day	91.05	1,912.05
NR	Attendance	DSO/DSO	2010-06		16108	22 day	100.89	2,219.58
NR	Attendance	DSO/DSO	2010-06		16108	19 day	289.92	5,508.48
NR	Attendance	DSO/DSO	2010-06		16108	22 day	166.36	3,659.92
Att/Cor, AttYrMn, Serv Total:							29,954.69	

Questions



***Thank
You !!***